



PRESS RELEASE

COUNTY OF LOS ANGELES

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State Cuts Require Use of Most of County's Reserves to Prevent Further Reductions in Services

County supervisors will be asked Tuesday to prevent further reductions in services by using almost all of the county's reserves to offset the \$186 million in additional cuts in the state's final budget.

Chief Administrative Officer David Janssen noted that the June budget already included \$292.7 million in reductions for departments, excluding Health Services, so there was limited areas in which to cut. The Sheriff's Department, Department of Public Social Services, District Attorney, Mental Health and Probation have already been heavily impacted, he said.

Use of the reserves to balance the budget would leave just \$23.1 million.

The budget will be discussed by supervisors during their regular 9:30 a.m. meeting Tuesday, Sept. 16.

Among the reports they will discuss is one showing the final fund balance from the 2002-03 budget is down \$131.8 million from the previous year's \$195.1 million, clearly indicating the impact of reduced revenues and state cuts.

The total impact of state reductions for 2003-04 is almost \$273.1 million, but the County's July budget had already reflected \$87.1 million of those cuts.

The state's decision not to increase the vehicle license fee until October meant a \$160 million loss to the County. The County is assuming that this will be a one-time loss.

The budget changes on Tuesday include keeping open Rancho Los Amigos National Rehabilitation Center in Downey and 100 beds at County+USC Medical Center for another year.

"The County has weathered a very difficult budget year, but because of strong fiscal discipline by the Board of Supervisors, the County has sufficient reserves to prevent the further reduction of services," Janssen said.

"We remain very concerned about next year. While the state has reduced expenditures by almost \$30 billion, there remains a deficit of at least \$8 million for next year. Because of the various actions taken this year to balance the budget, this shortfall is substantial and we must guard against the state solving its problem at our expense. We have done a reasonable job managing our resources and should not be punished for doing so."

